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German Blast Raises New Terrorist Fears



A policeman examining Tuesday the remains of car under which the bomb was placed.

Bomb Injures 31 at British Officers Club

By James M. Markham New York Times Service BONN — A bomb exploded outside a British officers club Monday night, injuring 31 persons a few hours after Prime Minister Margaret Thatcher had concluded talks here with Chancellor Helmut Kohl. West German and British investigators said Tuesday that they were uncertain who had detonated the 220-pound (100-kilogram) explosive, which was apparently slipped under a parked car outside an officers mess at the Rheindahlen base near the Dutch frontier. The bombing seemed likely to heighten concern that Western Europe is facing a new upsurge of terrorism. After the assassination in Rome on Friday of General Li-cio Giorgini, the Italian authorities have suggested that a "Euroterrorist" network has been revived. The explosion, which could be heard five miles (eight kilometers) away, blew out windows and sent glass shards flying into the mess where West German and British officers and their wives were celebrating. Of the 31 persons hospitalized Monday night, 27 were West Germans, and on Tuesday one British woman and six Germans remained in the hospital. Among them was Major General Hans Hoster, the German chief of staff for the Northern Army Group. An anonymous caller, speaking in English, telephoned the Düsseldorf office of DPA, the German news agency, shortly before the bomb exploded. But the journalist who took the call said he understood little more than the word "bomb." A similar call was made to the Düsseldorf police.



A screen flashing the sliding value of the dollar Tuesday in brisk morning trade in Tokyo.

Skidding Of Dollar Tests Pact

Hits Postwar Low Against Yen Amid Trade Tensions

By Ferdinand Prorzman International Herald Tribune FRANKFURT — The dollar reached a postwar low against the yen Tuesday in what many traders linked to U.S. frustration with Japan over trade issues. The U.S. currency also fell sharply against all other major currencies in Europe before recovering late in the day on heavy intervention by central banks. The intervention pushed the dollar higher against European currencies in New York and helped it rebound from the day's low of 148.50 against the yen to close at 149.10. The close of 149.10 in New York, down from 150.025 yen at the end of trading Monday, was a postwar low, as was the close of 148.80 in Tokyo against Monday's 150.70. Monetary experts said that the dollar's sudden weakness after a month of relative stability was related to Washington's growing anger with Tokyo over bilateral trade disputes. "The dollar is the only weapon the U.S. has that can get the Japanese to react on trade," one dealer said. "It looks like the administration has decided to use it." Experts believe that the dollar's bearish turn will continue in the near term. Dealers in Frankfurt predicted that the currency would test key psychological and technical support at the 1.80 Deutsche mark level by the end of the week. In New York, the central bank intervention helped the dollar close at 1.8233 DM, up from 1.8173 DM Monday; at 6.0675 French francs, up from 6.0525, and at 1.5230 Swiss francs, up from 1.5205. It also rose against the British pound, which ended at \$1.6110, down from \$1.6185 Monday. Despite the late recovery Tuesday, dealers said that the markets appeared to be ready to mount a major test of the currency agreement reached last month in Paris by six leading industrialized nations. "The significant thing is that the dollar hasn't risen above 150 yen," said one European dealer. "That still leaves the downside open." In London, the U.S. currency fell to 1.8105 DM marks and 6.0300 French francs before recovering to 1.8215 DM and 6.0675 francs at the close, up slightly from 1.8205 and 6.0585 at Monday's finish. The early decline prompted purchases estimated at \$1 billion to \$1.5 billion by the Bank of Japan during trading in Tokyo and open-market intervention by the U.S. Federal Reserve Bank in New York, dealers said. "The Fed has been intervening quite a bit this morning," said Mary Lynn McCaffery, vice president and head of corporate foreign exchange trading for Citicorp in New York. "The question is whether they are acting solely for the Bank of Japan or are also intervening for themselves." New York dealers were unable to estimate the volume of the Fed intervention. Other dealers said that the Bank of England also was buying dollars in early New York dealing, and suggested that those purchases were on behalf of the Bank of Japan. The governor of the Bank of Japan, Satoshi Sumita, said Tuesday in a statement that the central bank would intervene if necessary in foreign exchange markets to stabilize currency rates in close cooperation with other major nations. The weak trend of the dollar Monday and Tuesday was triggered by U.S. Treasury Secretary James A. Baker 3d's remarks over See DOLLAR, Page 15

Kiosk Algeria Lifts Exile Measure

ALGERIERS (AP) — Internal exile restrictions imposed in December against critics of the Algerian government have been lifted after leading lawyers and human rights activists protested to President Chadli Bendjedid, the official news agency APS reported Tuesday, quoting a "reliable source." The agency said the exiles, who number at least 22, were free to return to their homes immediately from the remote region of southern Algeria where they had been ordered to live.

Iran Official Warns U.S. Not to Intervene in Gulf

LONDON — A top Iranian leader warned the United States on Tuesday not to intervene in the Gulf, a day after Washington said its warships were available to escort Kuwaiti tankers through the waterway. "If U.S. intervention occurs, the entire world will become insecure for the Americans," said Hashemi Rafsanjani, speaker of the Iranian parliament, "and the events of Lebanon could be repeated for the Americans everywhere." On Oct. 23, 1983, 241 U.S. servicemen were killed when a car bomber blew up their headquarters in Lebanon. U.S. military officials disclosed in Washington on Monday that the U.S. Navy, which has about 24 warships in or near the Gulf, was prepared to escort Kuwaiti tankers, regular targets of Iranian attacks in an offshoot of the Gulf war. Mr. Rafsanjani, in an interview reported by the Iranian press agency IRNA, also commented on earlier U.S. disclosures that Iran had erected sites for Chinese-made "Silkworm" anti-ship missiles at the Strait of Hormuz, the entrance to the Gulf. The agency, received in London, quoted him as saying that Iran did not need missiles to close the strait, 24 miles (39 kilometers) wide at its narrowest, because "we can close it with artillery only." He added: "We have the longest coasts and the highest interest here and the small southern states have a lesser interest compared with us and therefore it is natural for us to protect the security of the Strait of Hormuz more than others." Mr. Rafsanjani said the entire Gulf was within Iranian fire range "and this U.S. ballyhoo will not solve anything." Meanwhile, a British naval source in the Gulf said Tuesday that the Iranians had test-fired a "Silkworm" in the strait off their navy base at Bandar Abbas, scoring a hit. The missiles, capable of carrying a 1,000-pound (455-kilogram) warhead, have a range of 50 miles. ■ Kuwait Said to Seek Aid A marked increase in attacks on ships docking in Kuwait in the first few weeks of the year prompted the Kuwaitis to ask both the United States and the Soviet Union for protection of Gulf shipping according to Arab and diplomatic sources in the Gulf. The New York Times reported from Cairo, adding that Kuwait is now working out the details of a plan for American protection. Six ships trading with Kuwait were attacked by Iran in the first few weeks of the year, as Tehran tried to pressure Kuwait not to hold a planned Islamic summit meeting at the end of January, and to stop support for its rival, Iraq, in the Gulf war. "As things deteriorated in the area," the chairman of Kuwait Oil Tanker Co., Abdul Fatah al-Badr, said in a telephone interview Tuesday, "we became 100 percent sure the main power will not allow anyone to interfere with the Gulf waters." "Our response is definitely positive to any means of ensuring that navigation is protected," said Mr. Badr, whose organization supervises the shipping of Kuwait's 950,000 barrels a day of crude oil exports. Although Kuwait and five other Gulf nations have banded together as the Gulf Cooperation Council and have formed a mutual defense force, they do not have the naval strength themselves to protect shipping. Instead, Kuwait officials have privately appealed in oil-importing states to protect their own interests by keeping the shipping lanes open.

EC Agrees on First Step to Bringing 'Deep Discount' Air Fares to Europe

BRUSSELS — European Community transport ministers reached a conditional accord Tuesday on reducing high European air fares, breaking a deadlock on liberalizing the heavily regulated industry, officials announced. The agreement puts in place the first element in a complex package of measures drawn up by the community's Executive Commission, which wants airlines to end restrictive practices such as fare-fixing and capacity-sharing agreements. But the new fares deal will not go into effect until ministers have agreed on the rest of the package. The Belgian communications minister, Herman De Croo, said the 12 ministers reached agreement on what conditions should be attached to proposed new discount and so-called "deep discount," or very cheap, fares following months of negotiations. "We are now in take-off position for a more liberal sky in Europe," said Mr. De Croo, who is presiding over the talks. The West German transport minister, Jürgen Warnke, hailed the accord as a breakthrough. He said he expected an overall accord at the ministers' next meeting at the end of June, the deadline set last week by the European Commission for governments to complete an acceptable package. The EC transport commissioner, Stanley Clinton-Davis, said the agreement "represents a big step forward in making scheduled air travel widely available." Some diplomats forecast very difficult talks ahead on the overall package, especially on proposals to give smaller airlines greater access to the market. A further complication is strong opposition from the Executive Commission, the Netherlands and Ireland to a part of the fares agreement that they fear would effectively give governments the right to block economy fares proposed by other EC airlines flying to their country. The economy fare will be used as the yardstick for setting cheap fares. Under the agreement, airlines would be able to set discount fares anywhere from 65 percent to 90 percent of the economy tariff and deep-discount prices at 45 percent in 65 percent of the economy fare. Mr. Clinton-Davis said the major innovation of the fares agreement was to introduce tariffs at less than half-price for off-peak travel in general, while up to now people had been available only to persons staying away for a weekend or longer. The Executive Commission warned last week that if the airlines failed to meet the deadline, or agreed on measures that did not go far enough toward introducing genuine competition, it would withdraw an offer to grant carriers temporary exemption from the EC's competition rules. The debate has pitted Britain, the Netherlands and Ireland, all strong advocates of far-reaching liberalization, against a majority of their community partners.

Heavy Indian Rocket Fails First Test

By Richard M. Weintraub Washington Post Service NEW DELHI — India's effort to launch its own large-scale satellites received a severe jolt Tuesday when its second-generation rocket failed shortly after liftoff on its initial test. The five-stage, 40-ton rocket failed about a minute into a flight designed to orbit a 300-pound (136-kilogram) satellite. Officials said the rocket crashed in the Bay of Bengal off the Siharikota space center in southern Tamil Nadu state. Prime Minister Rajiv Gandhi, a strong advocate of India's efforts in high technology, attested the launching. He said the rocket failure would not be a setback for the space program because "failure is part of any mission of this magnitude." One of the poorest countries in the world, India is technologically advanced in some areas. Western experts say that the vast cadre of well-trained scientists and engineers place India among the top six or eight countries in the ability to develop a full-range space program. Smaller versions of the rocket that failed Tuesday have placed satellites of 60 to 80 pounds in low orbit, and Indian scientists now design and build most of their own satellites. The large Indian communications satellites are of Indian design but were built by Ford Aerospace. One of them was launched by the United States and is in orbit. The Augmented Satellite Launch Vehicle tested Tuesday is the precursor of a larger rocket that India hoped to have ready in the 1990s to launch communications and other similar satellites in the 2000-pound range. Such satellites now can be launched only by the United States, the Soviet Union or the European Space Agency. Although officials said the cause of the failure would have to await further study, experts in New Delhi said the problem may lie in a new integrated guidance system that was also being tested Tuesday. The rocket failure, they said, would cause setbacks in timing of See ROCKET, Page 4

Mine Cited in Disaster

SALT LAKE CITY (AP) — The U.S. Mine Safety and Health Administration, in a preliminary report issued Tuesday, cited Utah Power & Light Co. and Emery-Mining Corp. for 34 alleged violations of federal mine safety standards in the 1984 Willberg Mine fire that claimed 27 lives.

For Cleveland's Ukrainians and Jews, Demjanjuk Trial Stirs Up Old Enmity

By Michael Dobbs Washington Post Service CLEVELAND — For three decades, John Demjanjuk seemed an unremarkable man leading an unremarkable life. He puttered about his garden, mended kids' bicycles and attended the local Ukrainian Orthodox Church. Few people asked about his past. These days, a lot of people care passionately about Mr. Demjanjuk's past. The retired Cleveland auto worker has spent the past few weeks in a Jerusalem courtroom on trial for crimes against humanity during World War II. Holocaust survivors have identified him as "Ivan the Terrible," a sadistic guard who operated the gas chambers at the Treblinka concentration camp and tortured thousands of Jews on the way to their deaths. Here in Cleveland, where Mr. Demjanjuk spent most of his adult life, the case has reopened historical wounds between Ukrainians and Jews who emigrated from the same part of Eastern Europe, for many of the same reasons, to opposite sides of the Cuyahoga River. For many of the city's 70,000 Jews on the river's eastern bank, the Jerusalem trial rekindles memories of their ancestors' sufferings: vicious pogroms, collaboration between the Ukrainian militia and the Nazi Gestapo, the exodus of Jews from the Ukraine. "It was a terrible, terrible time," said Lucy Zalitskiak, a Jewish émigré from Odessa who fled before the advancing German Army in 1940. "Every nation has its heroes and collaborators — and it's true that some Ukrainians hid Jews. Unfortunately, however, most of them worked for the Nazis." But in the houses among the pirogi bars and onion-shaped church domes west of the river, ethnic Ukrainians talk of Jews collaborating with Russians and Poles and of the devastating famine caused by Stalin in the 1930s that killed as many as six million Ukrainians. Many among the 50,000 ethnic Ukrainians in Cleveland say they believe that Mr. Demjanjuk is the victim of a plot between the Soviets and Jewish activists. "This case has created exactly what the Jews want to prevent: more anti-Semitism," said Bill Lisecnycky, president of the Cleveland branch of the Ukrainian Congress Committee, which represents most of the 1.5 million Ukrainians in the United States. The Ukrainian and Jewish communities in Cleveland have similar roots — and similar motives for leaving them. Both groups moved to the United States not only to survive but to raise their children in a land free of persecution. They were attracted to such places as Cleveland, Detroit and Pittsburgh during an industrial boom. Their ancestors may have been neighbors in the Ukraine, but Jews and Ukrainians had little to do with each other there or in the United States. The Ukrainians settled within sight of the sprawling smokestack industries along Lake Erie. The Jews, the mainstay of the garment industry, created their neighborhoods in middle-class residential districts across the Cuyahoga. When Mr. Demjanjuk was stripped of his U.S. citizenship in 1981, in proceedings begun after another Ukrainian immigrant raised questions about his identity, hundreds of Jews and Ukrainians gathered outside the Cleveland courtroom, waving banners and hurling abuse at one another. Since then, the two communities have maintained a steady barrage of polemics through the news media. Earlier, Mr. Demjanjuk had seemed typical enough of the 50,000 Ukrainians who migrated to the United States as "displaced persons" after the war. Mr. Lisecnycky describes him as "a peasant boy" with only four years of education who never left much of an impression on anyone. His parish priest, Father Stephen Hankiewicz, who knew him for 26 years, said he is a "practicing Christian who attended church regularly" and was devoted to his wife and two grown children. Like many of his countrymen, Mr. Demjanjuk found a job with Ford Motor Co. when he arrived in Ohio in 1952 from a refugee camp. He bought a house in Parma, an industrial suburb whose ethnic character is reflected in the domes of St. Vladimir's Church and signs such as those pointing out "Holowchak Funeral Home" and "Dimitri's Restaurant." He speaks little English. The pivotal event in Mr. Demjanjuk's childhood was the great famine of the early 1930s, conceived by Stalin as a way of destroying the independent Ukrainian peasantry, collectivizing agriculture and diverting the food supply to feed a new industrial work force. Mr. Demjanjuk told friends he remembered peasants in his village trading their houses for a single loaf of bread. Several members of his family died in the catastrophe. According to an undercover Israeli policeman who shared a prison cell with Mr. Demjanjuk before the trial, the former auto worker blamed the famine on a Soviet leader of Jewish extraction, Lazar M. Kaganovich. The policeman told the Jerusalem court that Mr. Demjanjuk had referred to Kaganovich as a *shid*, a derogatory Ukrainian term for a Jew. It was against this background of Stalinist atrocities that many Ukrainians welcomed the German invasion of the Soviet Union in 1941. "When Hitler came, it was burrah for Hitler," said George Kulchayka, a Ukrainian historian who migrated to Cleveland as an orphan after the war. "Nobody had read 'Mein Kampf.'" After surrendering to German forces without much of a fight, Mr. Demjanjuk and hundreds of thousands of other Red Army soldiers faced a choice between collaboration and slow starvation in prisoner-of-war camps. Some refused to cooperate with the Nazis and ended up in camps. Others joined a Ukrainian Army formed by the Germans to fight the Russians. And some were recruited as guards and orderlies for the Nazi death factories across Eastern Europe. Exactly what Mr. Demjanjuk did during the crucial years 1942 to 1944 — when as many as a million people, most of them Jews, were killed at Treblinka — is the subject of the Jerusalem trial. His accusers maintain that he was a particularly cruel guard at the camp in Poland. His defenders insist that he is the victim of a terrible case of mistaken identity. In the chaos that marked the end of the war, it was difficult to sort the Nazi collaborators from the heroes. As staunch anti-Communists, the Ukrainians were welcomed by the United States at a time when relations with the Soviet Union were deteriorating sharply. The deportation proceedings against Mr. Demjanjuk were based in part on a Soviet-supplied See CLEVELAND, Page 4

Nutritious beer may have been the reason our nomadic ancestors settled down and started growing grain to make their brew. Page 4.

GENERAL NEWS ■ The Soviet military has deployed lasers, according to a Pentagon review. Page 4. ■ Pakistan said that Afghan jets bombed a second village Monday, bringing the death toll to 85 people. Page 2. ■ Chad's capture of the Libyan air base at Ouadi Doum represents a severe setback for Moammar Gadhafi. Page 5. BUSINESS/FINANCE ■ South Africa and commercial bank creditors agreed to extend the current limits on the country's debt repayments. Page 15. ■ American Express Co. approved the sale of 40 percent of its Shearson Lehman brokerage subsidiary. Page 11. ■ U.S. durable goods orders rose 6 percent, the biggest increase in five months. Page 11.

AIDS Drug Maker Sets Priority for Use in U.S.

United Press International
NEW YORK — Manufacturers of AZT, the only drug available in the United States for the treatment of AIDS patients, have devised a priority system to distribute the drug, which is in short supply.

The shortage may last for several months because the drug takes seven months to manufacture. AZT, or azidothymidine, was approved for sale under the brand name Retrovir by the Food and Drug Administration on Friday.

It has been shown to ward off the infections that kill people with acquired immune deficiency syndrome and prolong their lives, but it is not a cure. It also has toxic side effects, including suppression of the bone marrow that results in a decrease in the production of red and white blood cells.

The disease is caused by a virus that attacks the body's defense system against fatal infections and cancers.

Patients who want Retrovir must have their doctors apply in writing to the manufacturer and then use a secret code to fill prescriptions, officials of Burroughs Wellcome Co., Retrovir's manufacturer, said Monday. They said the program was designed to ensure the drug goes to the sickest patients first.

Patients will be eligible for the drug if they have a history of pneumocystis carinii pneumonia, a parasite-induced respiratory infection common to those with AIDS, or a count of 200 or fewer T-4 cells per cubic millimeter of blood. T-4 cells are a critical component of the immune system. A normal T-4 count is from 1,000 to 3,000, and patients with fewer than 200 are usually seriously ill.

There are 14,000 patients with advanced AIDS in the United States. Many more suffer from an earlier stage of the disease called AIDS-related complex, making the total number of patients who may be eligible for the drug at least 41,000.

Paul Dreyer, Burroughs Wellcome product manager, said the company would be able to supply 15,000 AIDS patients with the drug immediately and hoped to have enough stock to accommodate 30,000 patients by the end of the year.

A spokesman for the national, nonprofit American Foundation for AIDS Research said the Burroughs Wellcome plan appeared to be fair.

Burroughs Wellcome officials said that, beginning Wednesday, doctors will have to apply to the company for permission to prescribe Retrovir.

Those patients: the company deems sickest will receive a code number that will allow their pharmacist to order the drug directly from the Burroughs Wellcome plant in Greenville, North Carolina.

The recommended dose of Retrovir will be two capsules every four hours. New supplies of the drug will have to be reordered every 21 days.

Mr. Dreyer said the company would monitor orders to make sure the code number system is not being abused.

Burroughs Wellcome officials also defended the price of the drug, expected to be \$7,000 to \$10,000 a year, saying it reflected the high cost of making it.

Israeli Claims Advance
An Israeli researcher said Tuesday he had achieved positive results in treating AIDS victims with a substance derived from egg yolk, Reuters reported from Tel Aviv.

Dr. Yehuda Skornick, assistant director of surgery at Rokeach Hospital in Tel Aviv, told a radio interviewer, "What can be said about this medicine is that all patients are responding to the treatment and showing a meaningful improvement in their symptoms, whether it's diarrhea, fever or lung infection, weakening or weight loss."

The substance, known as AL721, was developed by Professor Meir Shinitzky of Israel's Weizmann Institute, originally as a cancer treatment. Mr. Shinitzky said the treatment worked by stripping cholesterol from AIDS-infected cells to prevent them from attacking healthy cells, giving the body time to develop resistance to disease.

AMERICAN TOPICS

Anti-Erosion Plan Ahead of Schedule

Highly erodible farmland is being taken out of production under a federal conservation program. In the past two years, nearly 20 million acres (eight million hectares) have been given over to grass and trees. This is well ahead of schedule toward the goal of 40 million acres by 1990, more than 10 percent of total U.S. cropland.

The program reverses the trend of the 1970s, when soaring crop prices encouraged farmers to plow up hillsides and hedgerows, leaving such marginal land vulnerable to wind and water erosion.

Now farmers get an average \$31.17 an acre to convert land to uses not prone to erosion. Some businessmen fear a shrinkage of demand for seed and implements, further depressing the rural economy, but farmers favor the program.

"We kind of like this old land," said Jimmy N. Ward, 56, who farms in northern Missouri. "I want my grandsons to enjoy it too," he told The New York Times.

The government has been using production-cutting measures for

half a century to support farm income, but this is the first enacted for environmental reasons. It is intended to reduce not only erosion but agricultural pollution of water supplies and, eventually, surplus crop production.

Short Takes

The first seven Chinese to take a U.S. military training course have begun a 41-week study of torpedo maintenance at the U.S. Naval Training Center in Orlando, Florida, The Washington Post reports. Beijing is buying U.S. anti-subma-

rine torpedoes. China and Yugoslavia are the only Communist countries to which the United States will sell weapons. China's military relationship with the United States includes exchanges of high-level military visits and sales of U.S. military supplies and technology.

Businessmen are wary of the press but many concede that the press should be wary of them, according to a survey sponsored by Eggo Zehnder International USA, a subsidiary of a Swiss-based management consulting firm. Of 107 corporate executives polled, 59 percent complained about journalists' lack of knowledge of the subject covered; 35

percent about distortion, including sensationalism, misquoting and incomplete information; and 15 percent about bias. But 54 percent conceded that executives were not effective in dealing with the press and 42 percent said the press had good reason to be wary of business.

John Wayne, staunch Republican though he was, bluntly criticized Ronald Reagan for his opposition to the Panama Canal treaties and supported Jimmy Carter, according to documents on file at the Carter presidential library in Atlanta, Wayne, who died in 1979, was a close friend of the late Panamanian leader, Gen-

eral Omar Torrijos Herrera. In a letter to Mr. Reagan dated Nov. 11, 1977, a copy of which was sent to Mr. Carter, who was president at the time, the actor accused Mr. Reagan of spreading untruths about the canal treaties in letters to his supporters. Wayne wrote, "Now I have taken your letter, and I'll show you point by god-damn point in the treaty where you are misinforming people. If you continue these erroneous remarks, someone will publicize your letter to prove that you are out as thorough in your reviewing of this treaty as you say or are damned obtuse when it comes to reading the English language."

—ARTHUR HIGBEE

State Dept. Says Budget Cuts Impair Monitoring of U.S. Prisoners Abroad

The Associated Press
WASHINGTON — The State Department says that budget cuts are reducing the department's ability to ensure humane treatment for 1,388 Americans imprisoned abroad.

At the end of 1986, American prisoners in 79 nations were serving sentences or awaiting trial on charges ranging from illegally entering a country to murder, according to a recent State Department report. A third of the prisoners were jailed for drug offenses.

Mexico, with 313 Americans in jail, led the list, followed by Canada with 163, West Germany with 166 and Britain with 88.

There was little change in the total number of prisoners last year from 1985, and the number of Americans arrested abroad during the year again was about 2,800.

Budget cuts, mandated by Congress, according to Secretary of State George P. Shultz, have reduced the number of prison visits that U.S. consular officers will be able to make. [Additional proposed cuts would worsen the situation, he said.]

The consular officials check on foreign compliance with civilized standards of incarceration, but do not try to shield American lawbreakers abroad, many of whom are criminals.

There were, however, 34 confirmed cases of mistreatment of U.S. citizens in foreign custody last year. The State Department is required to prevent such incidents or make sure they are not repeated.

"We believe frequent visits are necessary to assist with widely variant judicial systems, sluggish bureaucracies

health problems," Mr. Shultz said at a congressional hearing last week.

"Unfortunately," he added, "we simply do not have the travel money at a number of posts to be able to maintain the current schedule of visits where American citizens are incarcerated in prisons which require any long-distance traveling."

Over the past year, the department has announced plans to close 14 consulates. Mr. Shultz said that more than 20 additional consulates will be shut if cuts are made in the department's request of \$2.7 billion for foreign affairs administration. Consular officers in the remaining posts would have to travel farther to visit some prisoners.

John Adams, director of the State Department's Citizens Emergency Center, rejected suggestions that a program to aid and comfort lawbreakers might be a good candidate for budget cutting.

"Congress has made clear its concern for Americans in prisons abroad," Mr. Adams said. "It's our job to make value judgments. These are Americans in trouble and it's our right to see that countries adhere to generally acceptable standards of behavior in treatment."

In Mexico, Jordan, Nicaragua, South Africa and Yugoslavia, consular officers said they had confirmed two or more cases of mistreatment last year and made appeals to the local governments to correct the alleged abuses.

In Zambia, consular officers succeeded in getting authorities to stop arresting Americans on suspicion of being spies for South Africa. In Thailand, where prisoners' families are expected to provide meals, the United States buys food for American inmates.

Contras' Southern Front Chief Quits

Washington Post Service
MIAMI — The top commander of U.S.-backed rebels fighting in southern Nicaragua has resigned and withdrawn from the war against the Sandinist government.

Fernando Chamorro, 54, military chief of the rebels, or contras, is not expected to weaken further the already disorganized and struggling southern front, U.S. officials and leaders of the contras said.

"He was only the titular head anyway," said one U.S. official. "For the last six months he's been in Miami."

Six southern front commanders issued a communiqué saying they will continue to fight. The commanders, along with Mr. Chamorro, broke in January with the contra umbrella group, the United Nicaraguan Opposition, asserting that its leaders and the U.S. Central

Intelligence Agency had blocked delivery of any supplies to them from the \$100 million in U.S. aid voted by Congress last year.

Meanwhile, Senate Democratic leaders lost another battle to stop aid to the contras on Tuesday. But they said they would continue to fight a filibuster against the legislation that would stop the aid and would compel President Ronald Reagan to account for millions of dollars in previous assistance.

The vote on ending the filibuster was 50-50, 10 votes short of the 60 required. The filibuster is preventing action on legislation that would freeze contra aid until the administration gives a full accounting of previous aid.

A first attempt to choke off the filibuster failed on Monday after a 46-45 vote.

Meet China at the Hanover Fair 1987



*Lion in front of the Palace in Beijing

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Leningrad's Cultural Star Fades

Under Gorbachev, Moscow Is Setting Pace for the Arts

By Bill Keller
New York Times Service

LENINGRAD — Spring in Leningrad might well have been designed by the city fathers as a deliberate affront to the city's centuries-old rival, Moscow.

events include the planned publication of banned fiction by Boris Pasternak and Vladimir Nabokov; the release of "Repentance," an anti-Stalinist, allegorical film; and the impending publication of Anatoli N. Rybakov's novel "Children of the Arbat." These are political events, originating in the political center.

Leningrad remains a treasure house of Russia's past, but 'there is nothing much going on,' said a filmmaker.

grad, politicians move more cautiously, waiting until they are certain the signals from Moscow are unmistakable.

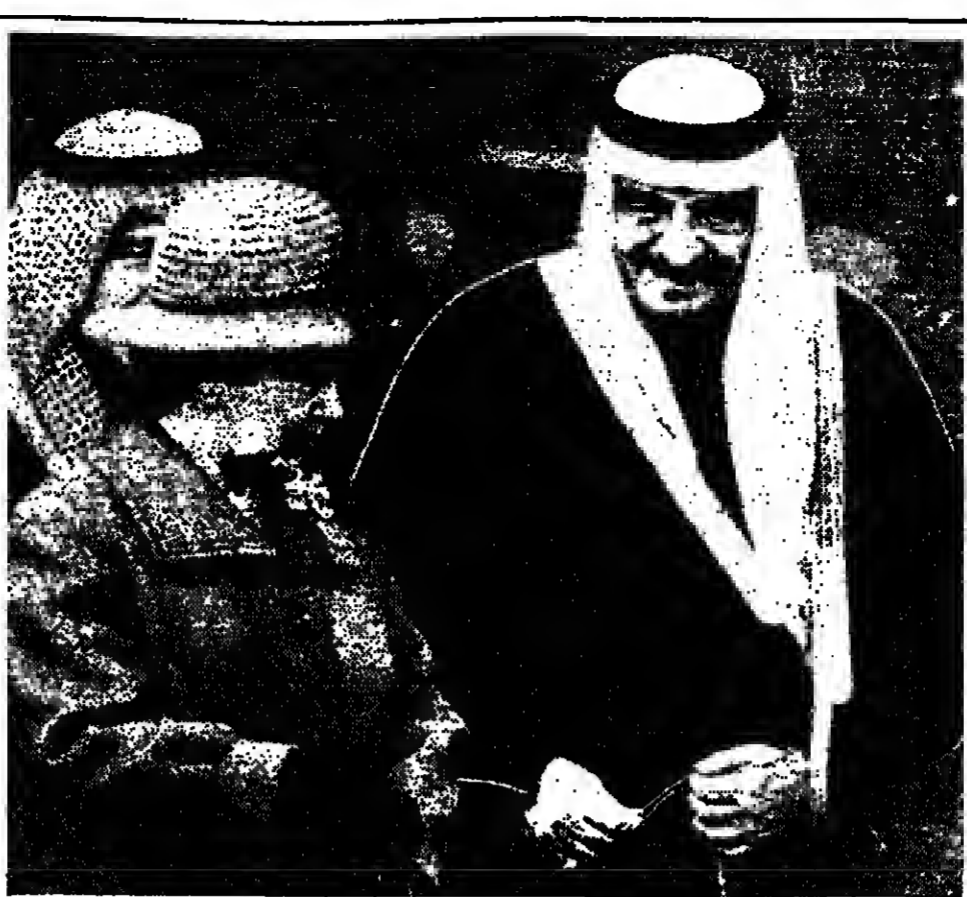
Two weeks ago, a Leningrad choir chose Moscow for its performance of Rachmaninoff's "Vespers," a piece Western diplomats said had not been performed in Leningrad because it offended the Communist Party's official distaste for liturgical music.

gressive local leadership. The Moscow party leader, Boris N. Yeltsin, is an exemplar of the Gorbachev style, and one of the most outspoken preachers of glasnost. He has exhorted the newspapers and literary journals to be daring, and they now scramble to outdo each other in pushing the limits of what is acceptable.

Leningrad's party chief, Yuri F. Solov'ev, is from a more conservative mold. Originally a protégé of Grigori V. Romanov, Mr. Gorbachev's rival for the leadership, he now marches to Mr. Gorbachev's tune, but watches his step.

Even the Leningrad jazz and rock music scene, long uncontested as the center of the music underground, has lost some of its vigor now that Soviet authorities, having failed to suppress rock music, have decided to embrace it.

The city's poets, she contended, are still more interesting than Moscow's. And Leningrad has the only independent artists' cooperative, providing an outlet for experimental painters whose work is still not approved.



FAHD GETS ROYAL WELCOME — Queen Elizabeth II of Britain greeting King Fahd of Saudi Arabia at London's Victoria Station on Tuesday as he arrives for a four-day visit. The train carrying the king, Prince Charles and his wife, Diana, was delayed en route from Gatwick Airport after a suspicious object was found under a railroad bridge.

Chadians' Capture Of Libyan Air Base Is a Blow to Gadhafi

By Edward Cody
Washington Post Service

PARIS — The capture by Chadian forces of the Libyan air base at Ouadi Doum is a major military and psychological victory that threatens to diminish Colonel Moammar Gadhafi's longstanding role in Chad, according to French and U.S. officials.

French-supported troops loyal to President Hissène Habré captured the main Libyan airstrip in Chad at a desert settlement in a fierce battle Sunday. Chad's forces captured an undisclosed number of tanks, armored personnel carriers and aircraft, a diplomat at the U.S. Embassy in Ndjamena, the Chadian capital, said Monday.

Libya has long claimed the Aozou strip, a slice of northernmost Chad that is rich in minerals. Libya annexed the area in 1975 and has supported various Chadian rebel groups in the 20 years of civil war.

vowed to assert government control over the entire northern region. About the same time, the defection to Mr. Habré of Libya's former rebel ally under Goukouni Oueddei left Colonel Gadhafi without control of the Tibesti mountains and, according to French officials, changed the war from a civil conflict into a Chadian-Libyan one.

With Mr. Habré now controlling Ouadi Doum, and with a resupply of French military equipment, government forces are expected to seek next to attack Faya-Largeau, Mr. Habré's hometown and the principal center in northern Chad still under Libyan control.

The Reagan administration has backed Mr. Habré's forces eagerly, principally out of hostility toward Colonel Gadhafi and reluctance to see his influence spread. Washington announced \$15 million in special military aid last December, adding to a regular U.S. military aid program of \$8 million.

Casey Getting Chemotherapy Treatment

Washington Post Service

WASHINGTON — Doctors at Georgetown University Medical Center have inserted tubes into the brain and stomach of the former Central Intelligence Agency director, William J. Casey, to treat his cancer and to feed him, the hospital has reported.

A tumor was removed from Mr. Casey's brain on Dec. 18. Officials at Georgetown would not respond to specific questions

about Mr. Casey's condition, other than to describe it as "stable." Mr. Casey, 74, was readmitted to the hospital Friday and is expected to remain there another week, according to the statement released by hospital officials.

He had been receiving radiation treatment, but several cancer specialists had encouraged his physicians to complement it with chemotherapy.

Mr. Casey's operation that he was having trouble speaking and had weakness on the right side of his body.

Mr. Casey suffered a seizure Dec. 15 while he was at CIA headquarters in Langley, Virginia. He was taken to the Georgetown hospital a day before he was scheduled to appear a second time before the Senate Select Committee on Intelligence to answer questions about the Iran-contra affair.

Berlin Anniversary Pits East and West

By Robert J. McCarmey
Washington Post Service

BERLIN — Each half of this divided city is spacing up historic buildings, erecting new apartment houses and organizing concerts and art shows in an effort to outdo the other in celebrating Berlin's 750th anniversary.

A subtle diplomatic tug-of-war is under way in a highly publicized "war of invitations" between the East German president, Erich Honecker, and West Berlin's mayor, Eberhard Diepgen.

Each is considering whether to cross the Berlin Wall to attend official ceremonies, at the risk of compromising longstanding legal positions related to the status of the city.

Lost in all this is the fact that it apparently is not really Berlin's 750th anniversary.

advantage in this field because the division of the city in 1945 left Berlin's historic center, which was mostly rubble at the time because of Allied bombardments, in the eastern sector. The East German government is making the most of this by virtually rebuilding the famous St. Nicholas Church, the Ephraim Palace and other old edifices in time for the anniversary.

The government has brought in hundreds of Polish craftsmen and construction workers to help. There is a serious shortage of labor in East Berlin, and the Poles are considered expert restorers.

The East Berliners also are trying to reinforce their contention that East Berlin is part of East Germany. The United States, Britain and France, which each have been responsible for a third of West Berlin since the end of World War II, recognize East Berlin as only the Soviet-controlled sector of the city.

Seeking to reinforce their claim, the East Germans have invited Mr. Diepgen, the West Berlin mayor, to the official state ceremony marking the anniversary in East Berlin on Oct. 23.

The West Berliners, meanwhile, want to show that capitalism delivers more goods than socialism, and hope to reaffirm their links to the Western allies and West Germany.

In February, Boris Eifman, director of the Leningrad Theater of Modern Ballet, staged the premiere of his daring new ballet of Mikhail Bulgakov's "Master and Margarita" — not in his home theater, but in Moscow. The ballet uses a mental hospital as its metaphor for central authority, and includes a "march of enthusiasts" poking fun at the Communist fervor of the 1930s.

Two weeks ago, a Leningrad choir chose Moscow for its performance of Rachmaninoff's "Vespers," a piece Western diplomats said had not been performed in Leningrad because it offended the Communist Party's official distaste for liturgical music.

"In the political structure," said a Leningrad music impresario, "Leningrad is a provincial city, like Kaluga or Tula. But culturally, Leningrad is not Kaluga or Tula, so the expectations are higher and the contradiction is more obvious."

Moscow's more liberal atmosphere also is encouraged by aggressive local leadership. The Moscow party leader, Boris N. Yeltsin, is an exemplar of the Gorbachev style, and one of the most outspoken preachers of glasnost.

Even the Leningrad jazz and rock music scene, long uncontested as the center of the music underground, has lost some of its vigor now that Soviet authorities, having failed to suppress rock music, have decided to embrace it.

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Toxic Cloud Hits U.S. Town
The Associated Press
NANTICOKE, Pennsylvania — About 18,000 residents of this northeastern Pennsylvania town fled their homes early Tuesday when a chemical fire spread a cloud of toxic chemicals over the area, the authorities said. No injuries were reported.

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INTERNATIONAL Herald Tribune

Into Dangerous Waters

For years, Iran and Iraq have been attacking each other's shipping in the Gulf...

Helpless in Thailand

Thailand, seeing no end to providing asylum for Indochinese refugees, has turned against them with acts of extortion, brutality and life-endangering forced repatriation...

Consensus Needs Funding

The Reagan administration, which began its life at the United Nations as a sharp critic of the organization, is ending up as a booster...

On Second Thought ...

Some presidencies, like Lyndon Johnson's in Vietnam, failed through tragedies too deep for any individual to avert...

The Debt Burden Is the Heritage of Authoritarian Governments

By Flora Lewis

SAN FRANCISCO — Maria Vargas Llosa, the Peruvian writer, was talking about hopes and problems in Latin America...

Only democracy can bring the reforms Latin America needs to work its way out of its historic vicious circle...

world has received the credits and subsidies Cuba has received from the Soviet Union...

U.S.-European Dialogue Needs a Political Forum

By Leo Tindemans

The writer, Belgian minister of external relations and a former prime minister, is president of the European Community's Council of Ministers.

BRUSSELS — Thirty years ago today, the European Community's founding Treaty of Rome was signed...

It is not surprising that two entities striving to defend the same fundamental values and aware of the need for good relations do not look for a more regular basis of consultation for mutual analysis and understanding...



Why American Forces Should Remain in Europe

By Richard Burt

The writer is U.S. ambassador to West Germany.

WASHINGTON — For years the idea that the United States should withdraw its troops from Europe has been a favorite hobbyhorse of the American left...

If the withdrawn forces are to be demobilized once they return home, we should frankly recognize such reductions for what they are...

the U.S. military presence is irreplaceable at present. They have made clear, for example, that they would not be able to replace the U.S. security commitment to West Germany...

It Wasn't Unique, for All Its Horrors

By William Pfaff

PARIS — While at the trial of John Demjanjuk Israel experiences a cathartic recounting of the Jewish experience at Treblinka...

In January and February, the Roman Catholic journal Tygodnik Powszechny published three articles on Polish anti-Semitism...

There are threats in other regions, and America must deal with them. But to weaken its capabilities in the most crucial theater for simply to strengthen them elsewhere is bad strategy...

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Persia's Prince

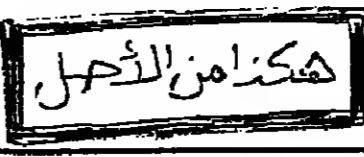
TEHRAN — The reply of Salar-ed-Dowleh, brother of the deposed Shah, to the Anglo-Russian communication advising him to leave Persia on a pension...

1937: Blockade Spain?

PARIS — Means of putting an end to Italy's intervention in the Spanish war were discussed [on March 24] by Yvon Debois, Foreign Minister...

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1938-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

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OPINION

A Conspiracy to Defraud the United States?

WASHINGTON — What criminal charges might result from the special prosecutor's investigation of the Iran-contra affair? Among many possibilities one stands out. That would be a broad charge of conspiracy in the supply of arms to the Nicaraguan contras at a time when the U.S. Congress had barred official military support.

By Anthony Lewis

That officials conspired to defraud the United States if they used their position, resources and time to defeat what was then the law: the Boland amendment forbidding official arms supplies. There would no doubt be evidence of concealment, as in Watergate, that indictment spoke of "deceit, craft, trickery..."

The Boland amendment was not a criminal law. For that reason some have jumped to the conclusion that there is no penalty for violating the policy it laid down. But a conspiracy designed to defeat the policy could well be punished under the conspiracy statute. The maximum penalty is five years in prison and a fine of \$10,000.

Everything will depend on the evidence dug out by Mr. Walsh and the 17 lawyers and many investigators he has working on the facts. But there is reason to believe he is focusing, first, on the question of aid to the contras.

One clue is that the House and Senate committees on the Iran-contra affair, when they reached their extraordinary agreement to work together, announced

that they would investigate the contra supply operation before turning to the Iran arms sales. The committees made that decision after talks with Mr. Walsh.

There are other relevant statutes: on perjury and obstruction of justice, for example. Also, Section 2778 of Title 22 makes it a crime, punishable by up to two years in prison and a \$100,000 fine, to export arms in violation of the rules. The statute exempts officials only if they are carrying out a "sales program authorized by law."

Looming behind all possible criminal prosecutions is the question of President Reagan's role. Suppose Colonel North and Rear Admiral John Poindexter are given partial immunity and compelled to testify. Suppose they say that they were following the president's orders. At his press conference last week Mr. Reagan said with emphasis: "I set the policy in this administration."

At this stage all is speculation, but I think one thing is clear. We have been paying too much attention to such passing phenomena as press conferences. The greater engine for discovering the truth is the criminal law.

The New York Times.



'Our legal justification for star wars testing was flawed, and mistakes were made. I take full responsibility.'

Frozen Flakes of Pollution Foul an Ancient Wilderness

By David Wann

DENVER — Water trickled from the melting snowpack in the summer heat, gathering speed as it flowed over the thin mountain soil and past the bases of tall Engelmann spruce before spilling into Lake Elbert far below.

Shimmering in the summer sun, the high valley lake in the Mount Zirkel Wilderness Area north of Steamboat Springs, Colorado, was filling as it had

MEANWHILE

for ages with its annual infusion of snowmelt — an event that Lake Elbert's delicate ecosystem depended upon.

The snowmelt was not as pure as it had been for thousands of years. A complex set of chemical reactions was taking place in the lake. The crystal waters, floating in a natural bowl of granite and quartz, mingled with the snowmelt, which was subtly contaminated by sulfur dioxide emitted mostly from power plants, smelters and factories, and by nitrogen oxides emitted mostly from vehicles and power plants.

The source of the contamination was the snow itself — acid snow that had fallen throughout the winter and spring from clouds fouled by pollutants.

Acid snow — the winter version of acid rain — is a new specter confronting researchers who recently began studying it in great detail not only at Lake Elbert but at many other sites across the West.

Much is known about acid rain and how its mixture of pollutants poisons lakes and ecosystems in the Eastern United States, Canada and Europe. But not much is known about acid snow and the degree to which it could be poisoning pristine wilderness lakes in the West.

American scientists began investigating the problem in 1985 when the Environmental Protection Agency and the U.S. Forest Service launched the \$4 million Western lakes survey. Nearly 800 lakes were sampled that fall. Early results carried good news and ugly possibilities.

The survey has not found significant impact on Western lakes by acid precipitation. The mean annual levels of acidity in Western rainfall are currently two to four times lower than in the East. Yet, studies in the Eastern United States and in Europe have shown that damages have occurred in sensitive lakes at levels of acidity not much higher than those occurring in the Rocky Mountains.

Perhaps the most sobering discovery is that acid snow can pack a far more powerful first punch than acid rain. As a snowpack builds, the pollutants in layer upon layer of contaminated snow filter to the bottom of the pack where, within a few months, a substantial concentration of pollutants accumulates. Up to 70 percent of the pollutants can be released in the first spring melts, injecting a pulse of acidity into a lake that can jolt the ecological balance.

Eastern lakes have built-in buffers against acidity, such as thick bottoms of mud and high levels of suspended particles that act as neutralizers. But Western lakes are among the most sensitive in the world, according to surveys. Their granite-and-quartz lake beds cannot neutralize acids; lake bed soil levels are thin — very little soil is washed into mountain lakes — and there are few trees or other vegetation to help neutralize the acids.

The lakes are virtually helpless in contending with acid precipitation. The acidity eventually dissolves, but the damage caused by annual jolts of sulfuric acid and nitric acid eventually can take a high toll on aquatic life.

Typically, the impact of acid rain is felt in two stages. First, there is a decline in the acid-neutralizing capacity of surface waters and soils. Depending on variables such as the amount of acid precipitation, the sensitivity of native species, and the structural characteristics of the ecosystems, effects may begin to be seen after several years.

In the second stage, there is a decrease in the diversity and productivity of aquatic species. Certain species of algae, insects, mollusks, zooplankton, fish and amphibians are sensitive to acidity, and birds and mammals may consequently suffer a shortage of food or an accumulation of toxic metals.

Most projections indicate that despite the closing of several smelters in the Southwest and a decrease in average emissions per vehicle, total nitrogen oxide and sulfur dioxide emissions will remain steady through 1995. This is because of a slight increase in the total number of vehicles and power plants.

"The effects of acid deposition can be so subtle that we can't determine the severity on the basis of just a few years' worth of data," said Larry Svoboda, regional acid rain coordinator for EPA. "But the consequences — as well as the uncertainties — are just too vast to sit back and do nothing."

EPA officials said last week that new studies showed that 300 lakes in the Northeast could be acidified by acid rain in the next 50 years if nothing is done, doubling the number of affected lakes in the region. This summer, the agency plans to expand its lake testing.

It is an unsettling thought while hiking the mountains and meadows of the Lake Elbert area to wonder whether those feather-like cirrus clouds in the bright blue sky could be slowly, subtly broadcasting the seeds of ruin for the Mount Zirkel Wilderness. The preserve has remained essentially unchanged for thousands of years. Environmental science is committed to keeping it that way.

The writer works in the office of external affairs at the Environmental Protection Agency in Denver. He contributed this comment to the Denver Post.

ABROAD AT HOME

Published reports of hidden activities that seem to fit the relevant criminal statute.

Lieutenant Colonel Oliver North ran a network, complete with Swiss bank accounts, that funneled arms and money to the contras. The crews of supposedly private planes that dropped weapons to them made telephone calls to White House numbers, including Colonel North's. A contra leader, Alfonso Robelo Callejas, says he got \$10,000 a month through the colonel for a year.

Then there was the money siphoned from the arms sales to Iran. Some appears to have gone as ransom to Lebanese kidnappers and kickbacks to Iranian officials. But whatever went to the contras would fit into such a conspiracy charge.

The relevant statute is the conspiracy section in the U.S. Code: Section 371 of Title 18. It punishes conspiracies to commit other specific offenses listed in the code. But it goes beyond listed offenses to punish, more generally, conspiracies "to defraud the United States."

A conspiracy to defraud, under that statute, does not require proof that the government suffered any financial loss. It need merely involve the misuse of government resources — personnel, for example — for ends that are corrupt or that interfere with the proper functions of government. As long ago as 1910 the Supreme Court wrote:

"The statute is broad enough in its terms to include any conspiracy for the purpose of impairing, obstructing or defeating the lawful function of any department of government."

The Watergate cover-up prosecution relied in part on that conspiracy statute. H.R. Haldeman, John Ehrlichman and John Mitchell were convicted of conspiracy to defraud the nation "of the government's right" to have officials of the Justice Department and the CIA "transact their official business honestly and impartially, free from corruption."

On the contras, it might be argued

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

It Should Never Be Absurd to Demand Democracy

In "Poland: America's Reversal Is Late but Welcome" (March 18), Tad Szulc writes: "To expect or demand a U.S.-type democracy in Poland anytime soon is absurd..." So, it is not absurd to demand democracy for Chile, Uganda or Indonesia, but it is absurd to demand it for Poland? Why would it be absurd to demand it at any time for anybody, and why would a person living in democracy feel it absurd to demand it for somebody else? After all, the Solidarity movement of 1980-1981, and what remains of it today, was an almost unanimous demand for democracy by the Poles. Was it absurd? Is it absurd to demand democracy for any Communist country?

It is, of course, absurd to expect democracy to come to these countries soon, just as it is absurd to expect that it will come from above. But shouldn't one distinguish between expectations and demands? Shouldn't the first be based on political analysis and the second on some values? Should we demand only what we are sure to get? Perhaps this is what the West is doing, while the Communists always demand what they want and not just what seems possible. This is why we are retreating and they are advancing.

Mr. Szulc rejoices. One Jozef Ceyrek, who "is really second in command to General Jaruzelski," even dined with Senator Edward Kennedy in Washington. Did they discuss the reasons why the senator could not get a visa to travel to Poland less than three months ago? Maybe Mr. Ceyrek was explaining the rules on Americans getting visas to Poland — a yes for the actress Jane Fonda,

Letters to the Editor

themselves, and even the Malays are barely replacing themselves. Within every racial group, those families most able to look after children — the better educated, higher-income families — are having fewer children. The problem reaches its most acute among women university graduates; large numbers never marry, and when they do they uniformly under-replace themselves. This is true of Malay graduate women.

The worry is not that the Malays will overwhelm the Chinese in numbers; if present trends continued, this would not happen for centuries. But if present trends are not corrected quickly, the overall population will start declining within a generation. To prevent this, the government is encouraging all families to have three children, provided they can afford to bring them up well. The tax incentives to support this policy treat all races evenly. Surely Mr. Reeves is not suggesting that Singapore should follow a policy of two children per Chinese family, but three per non-Chinese?

Countries such as Sweden, France and West Germany have used incentives even more generous than Singapore's to encourage couples to have more children. The only difference is that, while the shift in reproduction patterns in Western Europe has taken a century, Singapore's economic and social development has been so rapid that the switch from a policy of birth control to a policy of birth encouragement has had to be made within one generation.

DAVID MARSHALL, Ambassador of Singapore to France, Paris.

People Policy in Singapore

Regarding the opinion column "Singapore: Have Three, While Minding the Image" (March 19) by Richard Reeves:

Since independence, the Singapore government has earnestly and strenuously sought to build conditions for racial harmony. As a member of a minuscule minority group, I can state that nothing is further from the truth than the allegation that the government's population policy seeks "to maintain the overwhelming Chinese majority."

The demographic trends that have led to this new policy are not secret. Among the racial groups, the Chinese have the lowest fertility rate — 1.5 live births per woman, compared with 2.1 for Malays, 1.9 for Indians and 2.4 for other minority groups. The level required for zero population growth is 2.1. In other words, the Chinese, and to a lesser extent the Indians, are failing to reproduce

Three of Our Own ...

In response to "Many U.S. Catholics Say Ethics Will Be Ignored" (March 13): Poor Heidi Plummer of San Francisco, who, lamenting the Vatican document on human reproduction, says of her adopted son: "We love Trevor, but we want our own child. Parenting is such a strong urge..." Mrs. Plummer apparently cannot distinguish between the urge to parent and the egotistical urge to see oneself reproduced.

I hope little Trevor never learns that he is a not quite satisfactory substitute for the Plummers' "own" child.

My husband and I have three of our own children, all of them adopted and none of them less miraculous or less precious for not being genetically ours.

LEE BUENAVENTURA, Milan.

The Vatican and I rarely agree, but now, though our premises are diametrically opposed, we do. My premise is not that life is sacred but that our dwelling place needs protection, and thus that anything which makes it easier to bring more people onto this dangerously overpopulated planet should be questioned. I also agree that children have, or should have, the right to be begotten naturally by married parents. They should have the right to be raised with love and intelligence and in health. If we are to work for civil laws, a good start would be a requirement to license would-be parents and to instruct them on child-rearing.

JEAN TURNER, Zurich.

An Invitation to Oxford. The International Herald Tribune and Oxford Analytica present a special conference on The International Business Outlook University College, Oxford, September 16-19, 1987.

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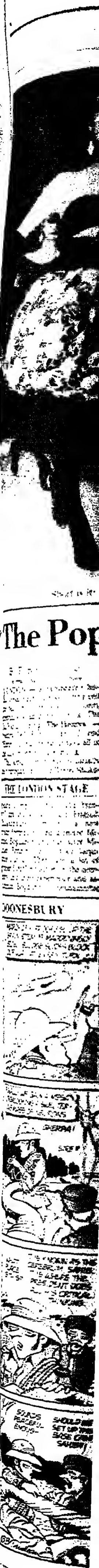
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ARTS / LEISURE

Valentino, Ungaro Cut It Beautiful

By Hebe Dorsey
International Herald Tribune
PARIS — As the collections near their end, the mood in Paris is up. Besides good collections from Mugler, Montana and Chanel, Valentino and Ungaro gave couture

PARIS FASHION

designers' ready-to-wear a shot in the arm. Both of these collections came close to these designers' lofty couture.

Everybody was smiling after Valentino's collection, which was like watching "Lifestyles of the Rich and Famous." Valentino is a happy man who knows his clients are and what they want. He keeps giving them unashamedly pretty clothes with one purpose in mind — to make them more beautiful.

The silhouette was still pencil-slim but it was softer, curvier and shorter. Shoulders were strong but they softened as the show went on. The favorite suit was a short, rounded jacket edged with softly bristling black fox. It was put over skinny minis, mini-sarongs or fully flared, wide-legged pants.

Tweeds, giant cheeks and houndstooths were Valentino's favorite fabrics when it came to shaping short, strongly belted coats. Deluxe embroidered suede skirts, started some seasons ago, were also very much around, but this time, they featured giant suede cheeks over slick black leather. The parther theme, a favorite this season, was used for just about everything, from gloves to turbans and twin sets.

The evening wear was sheer seduction. Dawn Melin, president of Bergdorf Goodman, loved having so much to choose from. The prettiest dresses were the short ones, which ranged from serious velvet to flirtatious white lace ruffles, cut across by bright satin bows. Although Valentino showed some

beautiful long gowns, including a couple of saun pampered ones, both very grand, there is no question that short is taking over the evening scene as well as the daytime one.

Details included white satin ribbons slotted down the sleeve of black dresses, black fox hems on short black velvet bustier dresses and richly embroidered boleros over slim black taffeta skirts. Big fox hats added glamour to this luxurious collection, as did all the gold and silver lame outfits. Impeccable accessories included high heels, sheer hose and very long gloves.

Ungaro also had an excellent collection which included a new and welcome sense of humor. He built his look on a sharp contrast between tight and skinny leather minis and powerful jackets — with strong shoulders and assertive, leg-of-mutton sleeves. Very wide collars, lined in contrasting fabrics, were worn as hoods which softened the line of the shoulders. Some

were lined with bright-colored velvets, others with soft satins.

Short, belted suits alternated with long coats, the latter often worn with flat, equestrian boots. Although he started with toned down colors — wheat, aqua, parma — Ungaro quickly reverted to his bright palette including turquoise, hot pink and red. There was a cherry brilliance to his collection due to the metallic leather minis followed by satins and lames.

Nowhere was the bourgeois, a favorite on Paris runways this season, as strongly outlined as at Ungaro's. Draped dresses, jersey or satin, emphasized every curve in the body. The prettiest, with a high, inverted V bodice and draped hips, was worn under a flower-printed coat.

Flower prints were only one of the more interesting themes at Ungaro's and turned up on peasant skirts, pleated jackets and even bloomers. The cyclamen-and-green pleated jacket over clasped

velvet was the sexiest around. The short evening group was a riot and included some mad poufs, bustles and cancan ruffles. Although there was a lot of black, Ungaro also put in bright patches such as hot pink satin ruffles at the bottom of a black velvet bustier.

Much will be forgiven Ungaro, including huge, awkward, cotton candy bows, because he produced the most beautiful long gowns in town. Slim and snaky, they featured draped hips and cascades of ruffles down the side. The prettiest was of dark brown velvet, a normally heavy fabric which Ungaro handled unusually well.

If Jean-Louis Scherrer could learn to edit his collections, he would be much better off. There was nothing wrong with his clothes except the slow, repetitious delivery.

Suits were favorites, with two strong themes emerging — both inspired from the early days of planes and automobiles. Long gray

flannel coats were touched up with black leather at the collars and cuffs. Models wore automobile caps or black leather helmets with goggles.

Swimming upstream, Scherrer showed mostly long skirts including a gray flannel one under a black and gray bolero. Other skirts, equally long, were knife-pleated and worn with boots.

Pants were ultra-narrow like stovepipes and worn under short car coats. Evening smoking wear with an ambiguous, dandy look included sequined jackets and jeweled walking sticks.

Guy Laroche's ready-to-wear collection is designed by Guy Douvier, who came down the runway, too. This is a vast commercial success and the best-priced of the couturiers' ready-to-wear.

As usual, his collection touched on all the current favorite themes — black leather minis, turtle-necks, tartans, quilted jackets, jersey chemises and the ubiquitous poufs.



Short is it: The view from Ungaro, left, and Valentino.

Tough act to follow. Advertisement for a bottle of cognac.

The Populist 'Henrys'

By Robert Cushman
International Herald Tribune
LONDON — Shakespeare's histories nearly always bring out the best in those who do them, especially when done in bulk. The Old Vic is staging "The Henrys" — "Henry IV" Parts 1 and 2 and "Henry V," but on Saturdays all in one day, morning to evening.

THE LONDON STAGE

Shakespeare Company, but "The Henrys" are the work of the English Shakespeare Company, a new group formed by the director Michael Bogdanov and the actor Michael Pennington to tour large-scale classics. There are a lot of former Stratford actors in the company, and their experience and assurance, Bogdanov's inexhaustible

energy, and the richness of the plays, are a potent combination. Where the ESC differs from the RSC is in its aggressive populism. The plays are done mainly in modern dress. The first one begins with an instant folk song, devised to clue us into the pre-history but actually more obscure in its dialect than the blank verse it is supposed to elucidate. This is the kind of thing that young people are supposed to love, though I suspect that it helps and flatters the actors more than the spectators. An actor asked to play "ancient Pistol" as an Elizabethan-roaring boy may not know where to start. Make him a motorcycling punk with a vicious streak, and it's easy. Well, easier.

Actually, the costuming is eclectic. Some soldiers are medieval, others contemporary. Henry IV and his ministers sport eider-downian frock coats, but Prince Hal's lounging attire is jeans, which points up the gulf between them. Falstaff is a striped-suited saloon-bar dandy, but his cronies — who outlive him — are 1980s ruffians in a recognizably rundown pub. Gradually the contrasts even out: we watch the new world taking over from the old. It is all summed up in the fight between Hal and Hotspur at Shrewsbury. Hotspur, the relic of chivalry, actually lets his opponent reclaim his fallen sword; Hal, when the luck goes his way, has no such scruples and plays the butcher. He doesn't enjoy it, but a prince has gotta do what a prince has gotta do. And eventually what a king has gotta do. Hal sacrifices humanity to become a political and military machine.

The mix is stimulating, while it is a mix. By the time we get to "Henry V" modernity has wholly taken over, with the Agincourt campaign staged — ingeniously — as if it were the Falklands. It really feels like war, but in this atmosphere Hal's humanity, and his scruples, make no sense, and the play becomes monotonous. Shakespeare liked Henry V, Bogdanov doesn't, and Pennington, gallantly speaking the lines, is left in the middle. He is far more interesting as the earlier Hal, caught between two worlds.

The plays, especially "Henry V," are staged to give us Bogdanov's view of Thatcher's England: duplicity and opportunism at the top, violent desperation at the bottom, and jingoism all the way through. (Nobody can say that Bogdanov sentimentalizes the lower orders; Henry's troops invade France like soccer hooligans.)

The coherence of his vision is less impressive though than the detail with which he animates it. He too is an opportunist, as a director has to be, especially with plays as big as these. Most of the characters come to life, and the "Henry IV" plays are unusually funny. Bogdanov is happier with humor than with emo-

tion; the account of Falstaff's death is surprisingly unmoving.

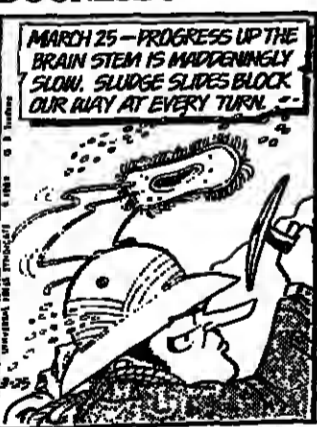
John Woodvine is a suave, beautifully phrased Falstaff, who doubles as the "Henry V" chorus, telling the story from a TV anchorman's swivel chair. His fruity tones are amusingly echoed by Colin Farrell as his batman Bardolph. John Price is a commonplace Hotspur but a rampagingly effective Pistol. And there are a couple of outstanding female performances from Jennie Stoller, subtler and snappier than most as Lady Percy and Jenny Quayle, whose Doll Tearsheet sells sex in a fashionable leather binding.

In Pirandello's "Six Characters in Search of an Author" a rehearsal is famously interrupted by a vainglorious author left them agonizingly unfinished, and who want actors to bring them to life. In the original, the play being rehearsed is one of Pirandello's own, which may explain why the actors take this science-fiction intrusion so completely in their stride. In the National Theatre's new production, Nicholas Wright's adaptation has them rehearsing "Hamlet," a play with its own pertinent remarks about acting and believing.

Otherwise, Michael Rudman's production is faithful; there is no attempt to pretend that we are anywhere but in the Italian theater of the 1920s. We begin with some witty vignettes of actors arriving for work, though the later company scenes are strangely stiff. If the actors are meant to represent surface reality, it doesn't help to have them sitting around making significant remarks at scripted moments. Real life, especially real theatrical life, is less organized than that.

But Rudman's conscientiousness pays off with the arguments about illusion and reality, which have never seemed more urgent. We feel the frustration of the characters as their pristine sense of their own identity is swamped by the well-meaning mannerisms of the actors. We see how swiftly belief can be induced by a thoroughly artificial stage set, assembled from stock. There is an uncomfortable acting gulf between the old, who are assured, and the young, who are callow.

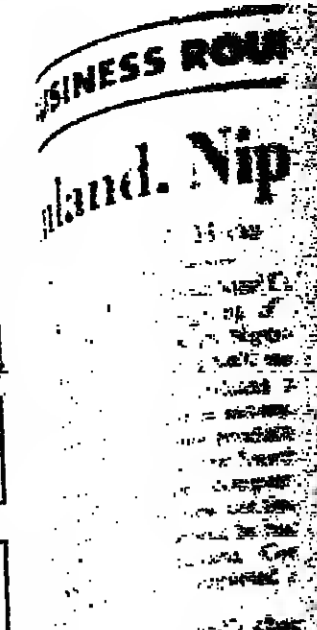
DOONESBURY



Dining Out section with restaurant listings for Paris 1st and Paris 8th.

Worldwide Entertainment section listing Springtime Arts in Monte-Carlo.

Large advertisement for Emanuel Ungaro featuring a close-up of a hand and the text 'LA ROBE QUE TU PORTES, QUE TON CORPS L'INVENTE'.



NYSE Most Actives table with columns for Vol, High, Low, Last, Chg.

Market Sales table with columns for NYSE 4 p.m. volume, Amex 4 p.m. volume, etc.

NYSE Index table with columns for High, Low, Close, Chg.

Tuesday's NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns for Class, Prev., Chg.

NASDAQ Index table with columns for Class, Prev., Chg.

AMEX Most Actives table with columns for Vol, High, Low, Last, Chg.

Dow Jones Band Averages table with columns for Bonds, Utilities, Industrials.

NYSE Diary table with columns for Class, Prev., Chg.

Odd-Lot Trading in N.Y. table with columns for Buy, Sales, Chg.

Dow Jones Averages table with columns for Open, High, Low, Last, Chg.

Standard & Poor's Index table with columns for Industrials, Utilities, etc.

NASDAQ Diary table with columns for Class, Prev., Chg.

AMEX Stock Index table with columns for High, Low, Close, Chg.

NYSE Mixed; Dow Sets Record - Table A: 12 Month High Low Stock, Div, Yld, PE, etc.

United Press International NEW YORK — Prices on the New York Stock Exchange closed mixed Tuesday, but the Dow Jones industrial average drove ahead to its sixth consecutive record high in heavy trading.

NYSE Mixed; Dow Sets Record - Table B: 12 Month High Low Stock, Div, Yld, PE, etc.

But declines led advances 840-753 among. Broad-market indexes broke records set a day earlier. The New York Stock Exchange composite index rose 0.25 to 171.08.

NYSE Mixed; Dow Sets Record - Table C: 12 Month High Low Stock, Div, Yld, PE, etc.

Volume was about 189.85 million shares, compared with 189.07 million Monday. Prices traded in a narrow range throughout the day, and analysts said the market was muddled.

NYSE Mixed; Dow Sets Record - Table D: 12 Month High Low Stock, Div, Yld, PE, etc.

NYSE Mixed; Dow Sets Record - Table E: 12 Month High Low Stock, Div, Yld, PE, etc.

NYSE Mixed; Dow Sets Record - Table F: 12 Month High Low Stock, Div, Yld, PE, etc.

NYSE Mixed; Dow Sets Record - Table G: 12 Month High Low Stock, Div, Yld, PE, etc.

NYSE Mixed; Dow Sets Record - Table H: 12 Month High Low Stock, Div, Yld, PE, etc.

NYSE Mixed; Dow Sets Record - Table I: 12 Month High Low Stock, Div, Yld, PE, etc.

NYSE Mixed; Dow Sets Record - Table J: 12 Month High Low Stock, Div, Yld, PE, etc.

NYSE Mixed; Dow Sets Record - Table K: 12 Month High Low Stock, Div, Yld, PE, etc.

NYSE Mixed; Dow Sets Record - Table L: 12 Month High Low Stock, Div, Yld, PE, etc.

Vertical advertisements on the right edge of the page, including Standard Chartered and others.

(Continued on next left-hand page)

WEDNESDAY, MARCH 25, 1987

INTERNATIONAL MANAGER

As a Shepherd Divideth His Sheep From the Goats

By SHERRY BUCHANAN

LONDON — Managers who grew accustomed to taking exams in business school think nothing of taking the ability tests required by some corporations...

A new U.S. test measures a person's persistence in the face of adversity.

"Most companies have a good idea of what they are looking for but they also worry about being fair," said Elizabeth Taylor, senior psychologist with NFER-NELSON Publishing Co.

The two most commonly used tests in the United States, Britain, France and West Germany are the 16PF tests developed by the American psychologist R.B. Cattell and the Myers-Briggs Type Indicator test, based on Jungian theory...

NFER-NELSON estimates that 30,000 Britons, 80 percent of them managers, took the 16PF last year, up 30 percent from 1983.

In 1984, Saville & Holdsworth Ltd., the British psychological assessment and publishing firm, introduced the Occupational Personality Questionnaire, which measures 30 personality characteristics and links specific occupations to personality.

But the biggest increase in the corporate use of personality testing has been in the use of the Myers-Briggs Type Indicator. Exxon and GE use the test for team building, career development and internal promotion.

"The point of this test is to feed back the information to the person," said Mrs. Taylor of NFER-NELSON. "Then everybody in the team discusses each other's profiles. A tremendous amount of trust is needed for it to work."

In the United States, 1.5 million people took the Myers-Briggs Type Indicator test in 1986, according to the Consulting Psychologists Press. Corporations accounted for 40 percent of the test sales, double the share of 1983.

Another test that is just being introduced on the U.S. market after 10 years of research by Martin E.P. Seligman, a professor of psychology at the University of Pennsylvania, measures a person's persistence in the face of adversity.

See TESTS, Page 13

Orders Rose 6% In U.S.

Durable Goods Reversed Decline

Compiled by Our Staff From Dispatches

WASHINGTON — Orders for durable goods in the United States jumped 6 percent in February, the biggest increase in five months, the Commerce Department said Tuesday.

The increase in these goods — such as automobiles and home appliances expected to last at least three years — was driven by purchases of transportation equipment, electrical machinery and primary metals. The rise followed a record 9.9 percent drop in January and was the biggest advance since a 7.6 percent increase in September.

Orders to U.S. factories are closely watched for signals on production and employment. The big February rise was likely to boost optimism that manufacturing employment will contribute to overall economic growth in coming months.

"There is still some life left in our aging recovery," said John Albertine, an economist at Farley Industries in Chicago.

Orders climbed to a seasonally adjusted total of \$101.2 billion in February compared to the revised total of \$95.5 billion in January.

The gain was boosted by a 48.9 percent jump in orders for defense equipment. Even without this increase, however, demand for civilian durable goods climbed 3.8 percent after a 7.7 percent decline in January.

The key category of non-defense capital goods showed a 1.6 percent decline in February. This category, which measures business investment, had fallen 8.7 percent in January. Analysts said the weakness is being caused by the new U.S. tax law, which removed tax benefits for business investment.

The new figures reflect substantial changes in earlier figures to reflect a "benchmark revision" that covered the years from 1982 to the present.

Bank of China Takes to Capitalism

But Hong Kong Expansion Has Risky Footing

By Nicholas D. Kristof

HONG KONG — As recently as eight years ago, the Bank of China served merely as a stodgy outpost here of the Beijing government.

But since China's opening to the West in 1979, the bank's growth has been extraordinary. According to its statements, deposits are 5.8 times higher, loans have risen 8.5 times and revenue is up twelvefold. The Bank of China group has taken to capitalist-style competition so well, in fact, that it has become the colony's second-biggest bank after the giant Hongkong & Shanghai Banking Corp.

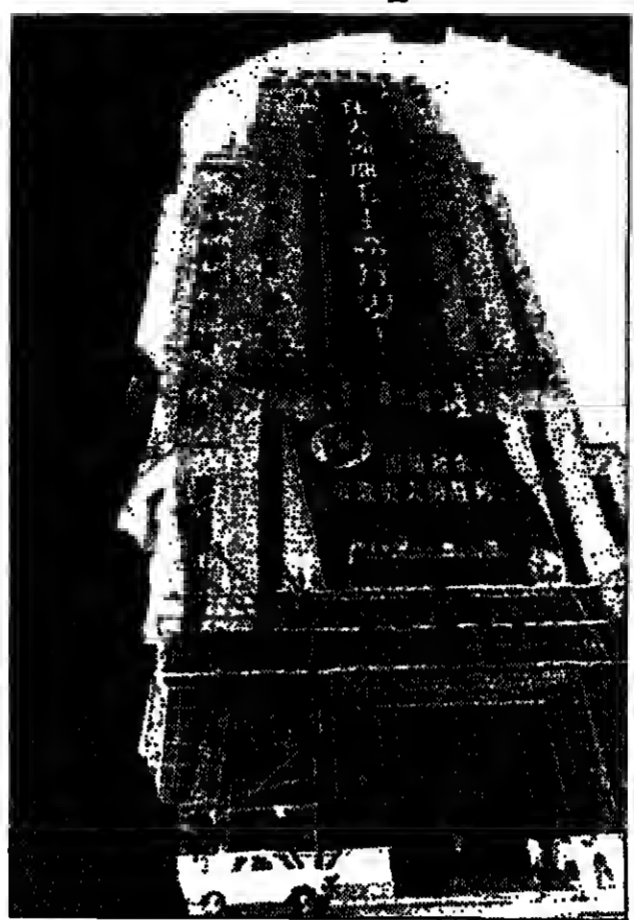
The Bank of China seems to think this is just a start. It is building a 70-story headquarters that will be Hong Kong's tallest building, with executive offices looking down on Hongkong and Shanghai Banking Corp. headquarters.

"It's extremely competitive, both in terms of service and in terms of interest rates," said David K.P. Li, chief executive of the Bank of East Asia Ltd., another Hong Kong financial group that has been expanding. "It's very dynamic."

For some Hong Kong businessmen, deeply apprehensive about what will happen after the colony reverts to Chinese control in 1997, having the Bank of China as a competitor may be strangely reassuring. It provides evidence of Beijing's willingness to tolerate capitalistic practices and of its expanding financial stake in Hong Kong's well-being.

In the process, China has been gaining financial experience and raising funds for investment on the mainland.

This growing presence in Hong Kong has not been painless, however. The Bank of China group seems to be sacrificing profits to gain market share, and diplomats and other bankers have doubts about the quality of its loan portfolio. It is also taking some significant risks as it develops its expensive new headquarters in the face of an extremely



The Bank of China's present headquarters in Hong Kong.

uncertain property market, and as it makes very long mortgage loans that lead to a mismatch between short-term deposits and long-term loans. There are, too, signs that the Bank of China group will face increasing competition, in Hong Kong as well as China, from other government-owned financial institutions.

The Bank of China remains secretive, and refused to make its two top executives in Hong Kong available for interviews. One other senior executive did grant an interview, after three months of prodding, but his information was limited. He could not say, for example, when the chief executive in Hong Kong, Huang Diyan, took the post; how old Mr. Huang was; where he lived; or whether he had a car at his disposal.

Other information was gathered from interviews with competitors, financial analysts and diplomats and from analysis of the limited financial records the bank provides.

Shearson Share Sale Approved to Nippon, Public

By James Sterngold

NEW YORK — The board of American Express Co. approved Monday the sale of 40 percent of its Shearson Lehman Brothers brokerage subsidiary, giving both companies a significant international link.

American Express said that it would sell 13 percent of Shearson to Nippon Life Insurance Co. for \$538 million and that it would sell 27 percent through an initial public offering and to its employees.

Shearson is counting on the combination to give it significant access to the huge, but hard to crack, Japanese corporate market, as well as more than \$700 million in capital. That would make Shearson the largest securities company in the United States, leapfrogging it over the traditional leader, Merrill Lynch & Co., and Salomon Brothers, Shearson, currently No. 3, has \$2.8 billion in capital.

Nippon Life is by far Japan's largest insurance company, with \$90.2 billion in assets, and is the largest shareholder of securities in Japan, with a stake in more than two-thirds of the 1,700 companies listed on the Tokyo Exchange.

The companies said that, in addition to gaining two seats on Shearson's board, Nippon Life would place an adviser on the 19-member board of American Express, giving Nippon Life knowledge of and the ability to influence the strategic direction of one of the largest U.S. financial conglomerates.

A number of senior Wall Street executives described the transaction as an important step both for Shearson and the U.S. securities industry, increasing the drive to build internationally. Shearson will become the second major brokerage house to sell a large stake to a Japanese concern, following Goldman, Sachs & Co.'s sale of a 12.5 percent interest to Sumitomo Bank Ltd. last year.

There was also concern that the Japanese might have begun a process of slowly dominating Wall Street through such investments in major brokerage houses, similar to the way they have taken control of pockets of the electronics industry.

Max C. Chapman Jr., president of Kidder, Peabody & Co., said the link with Nippon Life was far more important than the sale of more shares to the public because of the potential access the deal would give Shearson to the Japanese market.

"This gives them more capital and insight into the Japanese market," he said. "But don't forget that it goes both ways. This gives them a hand in getting into this market, too."

The companies also agreed to exchange personnel, which several analysts said could prove important to Nippon Life's growing understanding of how the U.S. and international capital markets work. Shearson and Nippon Life also will form a venture in London that will engage in the investment advisory business.

See SHEARSON, Page 13

Nakasono Orders Efforts to Calm U.S. on Chips

By Reuters

TOKYO — Prime Minister Yasuhiro Nakasono intervened Tuesday to resolve Japan's dispute with the United States over trade in computer chips, government officials said.

Mr. Nakasono told Trade and Industry Minister Hajime Tamura at a cabinet meeting to double his efforts to calm U.S. anger at what Washington sees as Japan's unfair trade practices in semiconductors.

Mr. Nakasono's intervention came only two days before a scheduled meeting of the Reagan administration's Economic Policy Council to consider whether Japan has broken a pact on microchips.

That pact, signed last year after months of negotiations, calls on Japan to stop "dumping" chips, or selling them at cut-rate prices in world markets, and to increase its imports of U.S. chips.

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FIGURES AS AT DECEMBER 31, 1986: TOTAL ASSETS: US \$ 168 billion SHAREHOLDERS' EQUITY: US \$ 1.6 billion

Currency Rates

Table with columns for City, Bid, Ask, and other rates for various currencies like Amsterdam, Brussels, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich, etc.

Other Dollar Values

Table with columns for Country, Currency, and Dollar Value for Argentina, Australia, Austria, Belgium, Brazil, Canada, China, Denmark, France, Germany, Greece, Hong Kong, India, Italy, Japan, Korea, Luxembourg, Malaysia, Mexico, Netherlands, New Zealand, Norway, Philippines, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, USA, West Germany, Yugoslavia.

Interest Rates

Table with columns for Term, Rate, and other interest rate data for Eurocurrency Deposits.

Key Money Rates Mar. 24

Table with columns for Instrument, Rate, and other money rate data for US Treasury bills, CDs, etc.

U.S. Money Market Funds

Table with columns for Fund Name, Assets, and other money market fund data.

Gold

Table with columns for Location, Price, and other gold market data for London, New York, etc.



Tuesday's NYSE Closing

Tobies include the nationwide prices up to the closing on Wall Street and do not reflect late trading elsewhere.

12 Month High Low Stock Div. Yld. PE 1986 High Low Close Chg.

Table of stock prices for various companies including IBM, AT&T, and others.

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U.S. Futures

Via The Associated Press

Table of U.S. Futures prices for various commodities like wheat, corn, and soybeans.

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London Commodities

March 24

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Paris Commodities

March 24

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March 24

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London Metals

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NYSE Highs-Lows

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AMEX Highs-Lows

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Company Results

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Dividends

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Spot Commodities

Table of Spot Commodities prices for various goods.

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S&P 100 Index Options

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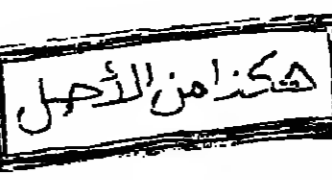
Table of S&P 100 Index Options prices.

Monday in the Trib. Get the latest word from William Safire on Language.

Wickes to Sell U.K. Unit, Seek Reverse Stock Split. Los Angeles Times Service.

DM Futures Options. In Canada: DM futures contracts per contract.

Large vertical advertisement on the right side of the page, partially obscured by other text.



BUSINESS ROUNDUP

Inland, Nippon Sign Steel Accord

By Jonathan P. Hicks
NEW YORK — Inland Steel Co. has announced the signing of a long-awaited accord with Nippon Steel Corp. to establish a \$400 million joint venture in Indiana to make sheet steel for use in automobiles and other consumer products.

man, said that his company would have a 60 percent stake in the venture, to be called I/N Tek. Nippon, the world's biggest company, would hold 40 percent. The venture will be financed partly by the trading companies of Mitsui, Mitsubishi and Nishio Iwai Corp., which will handle the steel sales to Japanese automobile plants.

Standard Chartered Reports 5.5% Drop in Pretax Profit

LONDON — Standard Chartered Bank PLC recorded Tuesday a 5.5 percent drop in 1986 pretax profit, the only one of five major British clearing banks to report lower profit for 1986.

Debt provisions increased to \$545.6 million in 1986, from \$416.6 million in 1985. The charge for bad and doubtful debt soared to 184.3 million pounds, from 100.7 million in 1985.

Norcros Rejects \$542 Million Bid by Williams

LONDON — Norcros PLC, the building products and packaging group, Tuesday rejected a \$542 million (\$876.8 million) bid for its ordinary shares from Williams Holdings PLC.

Profit after tax and extraordinary items fell slightly in 1986, to £142.3 million, from £148.4 million in 1985. Earnings per share rose 14 percent, to 97 pence in 1986, from 85.3 pence in 1985, reflecting a lower tax charge.

The industrial holding group said earlier Tuesday it had offered 29 million Williams shares for every 50 in Norcros, or 43.7 pence per share. But Norcros said the offer was unworkable and it significantly undervalued the stock. In mid-session trading on the London Stock Exchange, Norcros was quoted at 418 pence, up from 397 Monday, Williams was 15 pence higher at 765.

Analysts expect Lloyds Bank PLC will remain a bid for Standard sometime this summer. The company, which was the target of a hostile takeover bid last year by Dixons Group PLC, said its profit of £115.3 million (\$71.6 million) was a major step toward making Woolworth the most profitable retailing group in Britain.

Woolworth PLC Seeks Expansion

LONDON — Woolworth Holdings PLC, which earlier this month announced a 1986 pretax profit increase of 42 percent over 1985, said Tuesday that it intended to look for opportunities to acquire specialist retail businesses.

The convertible offer, at 428 pence per share, is on the basis of four Williams convertibles for every Norcros share. The cash offer is the equivalent of 400.2 pence a share.

Disney, France Sign Agreement On Theme Park

PARIS — Walt Disney Co. and the French government on Tuesday signed a definitive agreement to build and operate Europe's first Disneyland theme park.

The company said construction on Eurodisneyland is to start next year on 4,800 acres (1,945 hectares) at Marne-la-Vallée, about 20 miles (32 kilometers) east of Paris. The theme park portion of the development, which will include a resort and recreation complex, offices and shopping centers, will take about four years to build.

The total initial investment has been put at 16 billion francs (\$2.62 billion). Disney said it would seek other investors from France and elsewhere. Disney said provisions for a second theme park on the site are included in the agreement and that the French government will extend the Paris Métro system to the park and build interchanges and roads to provide superhighway access.

Doubt Cast on AMC Buyout by Chrysler Letter of Intent

DETROIT — Chrysler Corp. does not intend to buy Renault's 46.1 interest in American Motor Corp. unless it also can buy "substantially all" outstanding AMC stock, according to the letter of intent signed by Chrysler. The letter, governing Chrysler's proposed buyout of the ailing automaker from the government-owned Renault of France, was released Monday by AMC.

SHEARSON: Sale Is Approved

(Continued from first finance page) shares will be sold to the public shortly through the initial public offering, American Express said. A registration statement is expected to be filed Monday that will give details about the structure of the transaction and the price expected for the shares. American Express will get the proceeds of the sale of existing shares, with new-share proceeds going to Shearson.

American Express also granted Nippon Life a five-year warrant to purchase 1 million of its shares at \$100 each. That number would represent less than half of 1 percent of the 215 million shares outstanding.

TESTS: Winnowing Out 'Quitters'

(Continued from first finance page) The test is applicable to any job where there is a high failure rate and a strong likelihood of being rejected," said Mr. Seligman. Metropolitan Life Insurance Co. agreed to hire 121 insurance salespeople who flunked the standard personality test used in the insurance business but who scored high on the optimism scale of the Attributional Style Questionnaire. After a year, the "optimistic" group consistently outperformed members of another group who had been selected because they scored high on the industry personality test but were on the pessimistic end of the ASQ test.

THALOS AG - Baarstr. 73 - CH-6300 ZUG 2 - Switzerland. Includes contact information for Thalos AG and a list of services.

British Aerospace 1986 Profit Fell 34% After Plant Charge

By Warren Getler
LONDON — British Aerospace PLC, one of Europe's biggest manufacturers of aircraft and weapons systems, said Tuesday that 1986 earnings fell 34 percent to £84.3 million (\$136 million at current exchange rates) from £127 million last year in 1985.

loans to help launch two jets planned by Airbus Industrie, the four-nation European consortium in which BAE holds a 20 percent stake. He warned that unless the company gets an offer approaching the £750 million it requested, "we will not be part of the A-330/A-340 project."

Those results, reflecting an extraordinary charge of £51 million for the already announced closure of a manufacturing plant, compare with a 21 percent rise in pretax profit to £182.2 million from £150.5 million.

Group sales for Britain's leading defense contractor climbed 18 percent to £3.14 billion last year from £2.65 billion in 1985. Earnings per share fell to 51.4 pence from 56.4 pence.

Meanwhile, Sir Austin Pearce, the company's chairman, said BAE received a "totally inadequate" offer of long-term British government loans to help launch two jets planned by Airbus Industrie, the four-nation European consortium in which BAE holds a 20 percent stake.

The company said 1986 losses in its civil aircraft division, which includes work on Airbus aircraft, more than tripled to £7.7 million from £2.5 million in 1985 and cited fierce competition and the strength of sterling.

The military aircraft division recorded slightly lower pretax profits in 1986 of £146 million from £148.3 million, but profits from guided weapon and electronics systems rose 9 percent to £139.7 million.

Banque Vernes & Commerciale de Paris

OFFICIAL STATEMENT
The Board of Directors, which met on March 5, 1987, under the Chairmanship of Mr. Gilbert LASFARGUES, approved the 1986 accounts. Total assets amount to 17 billion French Francs, compared with 13.9 billion French Francs in 1985, an increase of 7.3%.

ADVERTISEMENTS for Schlumberger, XEROX CORPORATION (CDRs), and AMSTERDAM DEPOSITORY COMPANY N.V.

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Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div. Yld. PE 52 Week High Low Close Change

12 Month High Low Stock Div. Yld. PE 52 Week High Low Close Change

12 Month High Low Stock Div. Yld. PE 52 Week High Low Close Change

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 24 March 1987

Other Funds

Floating-Rate Notes

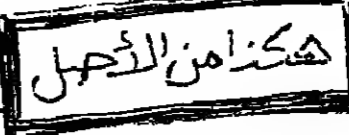
Yield %

Pounds Sterling

Deutsche Marks

Asia Pacific Growth Fund Weekly net asset value on 20-3-1987 US \$33.25

Vertical advertisements on the right margin including 'CURRENCY MAN', 'OTC', and 'Deutsche Marks'.



CURRENCY MARKETS

DOLLAR: Dollar Falls Against Yen, Tests Paris Accord

(Continued from Page 1) The market is confused, said a Frankfurt-based currency trader for a U.S. bank. "We have assumed since the Paris meeting that target zones were set."

London Dollar Rates

Table with 2 columns: Currency, Rate. Includes Deutsche mark, French franc, Swiss franc, and Japanese yen.

Speaking in New Zealand, where he is attending a meeting of trade ministers, Mr. Yeuter said he was unsure whether some of the trade issues disrupting U.S.-Japanese relations would be resolved before the two countries open trade talks in late April.

Latin Nations Rebuff U.S. On IDB Plan

By Peter T. Kilborn New York Times Service MIAMI — Debtor nations in Latin America have rejected a plan by Treasury Secretary James A. Baker 3d to revise control of the Inter-American Development Bank, the multinational financing agency for development in Latin America and the Caribbean.

Sticht Unretires to Head RJR Nabisco

By Arthur Higbee International Herald Tribune In a surprise move, J. Paul Sticht, a former high executive at R.J. Reynolds Industries, has come out of retirement to be named chairman of RJR Nabisco.

To Our Readers

Please send information about management changes to: Business People International Herald Tribune 181 Ave. Charles-de-Gaulle 92200 Neuilly Cedex France

Top Volcker Aide Joins Consultancy

WASHINGTON — Steven M. Roberts, chief assistant to Paul A. Volcker, chairman of the Federal Reserve Board, will become a partner in Peat, Marwick, Mitchell & Co.

Pretoria, Banks Extend Repayment Limits

By John D. Battersby South Africa and its major commercial banks have agreed to extend for three years specific limits on the country's repayments of \$13 billion in foreign debt it froze last year.

Interest rate margins on restricted debt would remain the same as during the first interim agreement, and South Africa would continue to pay all interest on its foreign debt.

The agreement with the country's 34 major creditor banks, who hold 80 percent of the short-term debt, was reached at a meeting in London on Tuesday by South Africa's committee coordinating the freeze on this portion of the total foreign debt of around \$24 billion.

China: Beijing's Bank Takes to Capitalism, but Not Without Taking Risks

(Continued from first page) The Bank of China group also has picked up a great deal of commercial business, but it is not clear how much of this is based on credit. Many of the group's business clients are from the 3,000 companies from China that have opened offices in Hong Kong in the last half-dozen years.

The Bank of China has become Hong Kong's second largest, but there are strong indications that its bad loans are substantial and that profitability is low.

Mr. Huang, who previously headed the Bank of China operation in New York, Mr. Zhang, and to a lesser extent Mr. Zhang, are playing a major role in the bank's operations. Mr. Huang became chief executive, but neither speaks Cantonese, the dialect prevalent in Hong Kong.

British subdivision of the U.S. conglomerate

British subdivision of the U.S. conglomerate Figgie International Holdings Inc., has recruited Per Dahlgren as managing director of its Swedish materials-handling subsidiary, Logan Transportteknik AB of Ystad.

The Gap Inc., the California-based casual clothing chain, has promoted Millard S. Dreier, 42, from executive vice president to president. He takes over from Donald G. Fisher, 58, the founder, who remains chairman and chief executive.

The University of Stirling in Scotland has named John R. Beaumont to a new chair in applied management information systems. The professorship is funded by ICL, the British computer manufacturer.

Tuesday's OTC Prices NASDAQ prices on a \$100 New York Stock Exchange scale. Includes a list of stock symbols and prices.

Table with 4 columns: Stock Symbol, Price, Change, Volume. Lists various OTC stocks and their market data.

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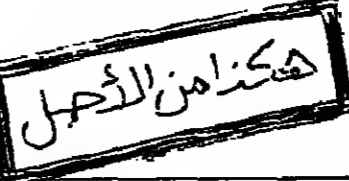
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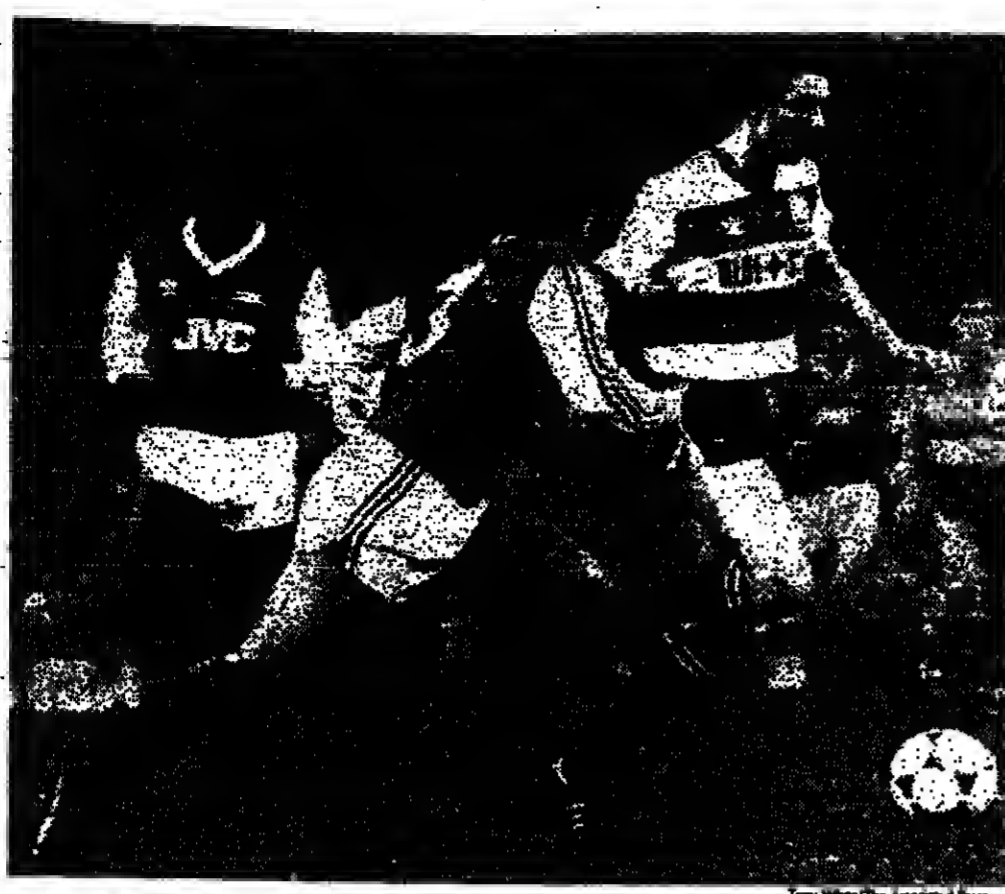
SPORTS

Affairs Of the Heart

London—A pacemaker for the athlete always used to be someone carrying out the first two laps in a runner's wilderness. No longer.

ROB HUGHES

Operation of hereditary heart trouble. And a younger English footballer, Chris Hemming, begins a league career aided by a surgically fitted pacemaker.



Arsenal's Kenny Sanson, center, starting in Harry Wayne Fereday of the Queen's Park Rangers.

British athletics was refusing to allow Linda Peck, a promising schoolgirl, to fulfill her potential on the track. A leading heart valve (to bar) to Ron Clarke, the superb Australian runner, and no bar to Peck's medical advisers' strict terror in officials' minds.

and no physical activity. His mental triumph is extraordinary. Extraordinary too is the victory of mind over doubt in the men and women who compete in the Transplant Olympics. So, of course, is that of 50 men who began a Transplant Trophy for five-a-side soccer in Britain three years ago.

He is now an experiment — a guinea pig shared by sport and science. And if he succeeds, he will help dispense some outmoded orthodox preconceptions toward sport as seen through the medical glass.

VANTAGE POINT/John Feinstein

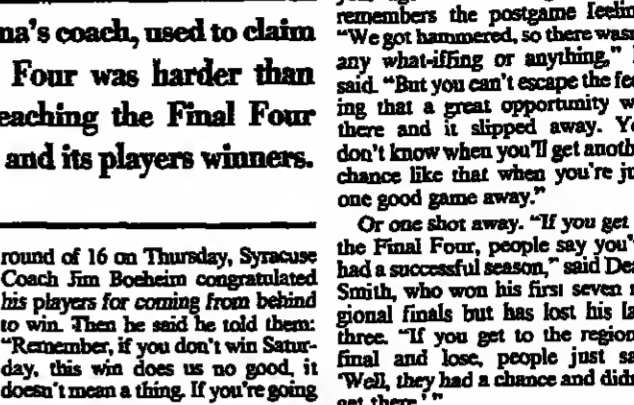
When 8 Is Nothing, 4 Approaches Infinity

WASHINGTON — It was Billy Packer who made the comment Sunday during the final moments of the Indiana-Louisiana State Midwest Regional final.

Dean Smith, North Carolina's coach, used to claim that getting to the Final Four was harder than winning the title. Just reaching the Final Four makes a team, its coaches and its players winners. And it goes beyond that.

Getting a Leg Up

New Jersey's Joe Cirella resorted to unorthodox defensive tactics in trying to stop Esa Tikkanen shortly after the Oiler wing opened Monday night's scoring at 1:35 of the first period.



Edmonton's Esa Tikkanen, center, scores on Joe Cirella of the New Jersey Devils.

Wilson, whose shot that bounced off the rim would have put LSU into the Final Four, said it best: "Getting to the Final Four is the best feeling in the world. This is the worst."

Court Rejects Players' Appeal For Bigger Cut of TV Profits

WASHINGTON — The Supreme Court on Monday rejected an appeal by major league baseball players seeking the right to receive millions of dollars in revenue from televised games.

SCOREBOARD

Table with columns for Baseball, Basketball, NHL Leaders, and Hockey. Includes team names, scores, and player statistics.

NHL Standings

Table showing NHL Standings with columns for team, wins, losses, points, and goals.

Tennis

Table showing Tennis Pro Leaders with columns for player name, wins, and losses.

U.S. High School Following Pros' Pie-in-the-Sky Recipe

NEW YORK — Call it trickle-down finance, if you will, but those luxury sky boxes that are a standard feature of pro stadiums have now reached the high school level.

Exhibition Baseball

St. Louis 9, Cincinnati 2; N.Y. Mets 4, Philadelphia 2; Chicago White Sox 7, Kansas City 2.

Advertisement for BLANCPAIN watches, featuring a large image of a watch and text describing the brand's history and quality.

OBSERVER

CBS on the Firing Line

By Russell Baker
NEW YORK — People in the news business tend to forget it's a business, so when something like the firings at CBS News jolts them back to reality, they respond with shock and rage.

most of the staff forgot their "professionalism" long enough to join the union, but doubtless resumed thinking of themselves as "professionals" once the chilly exposure to reality wore off.

Nicaragua Relives Its Yankee Past

By Stephen Kinzer
New York Times Service
GRANADA, Nicaragua — This graceful and dignified city, founded in 1524, is the only place in Nicaragua where one feels in touch with Latin America's colonial past.



Director Cox (left) with Ed Harris, who plays the adventurer William Walker.

straight," said Harris, "but there are certain situations, certain lines where, if the audience is not laughing, they're not getting it."

The man coordinating Nicaraguan cooperation with the makers of "Walker" is Carlos Alvarez, a Chilean-born official of the Nicaraguan Cinema Institute.

Walker was a dedicated newspaper editor and idealistic lawyer who considered a political career and yearned for a life of quiet domesticity.

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PEOPLE
Evel Knievel Wants To Share Some Fame
The former motorcycle stunt man Evel Knievel, wants to bring a bit of his fame back to his native Butte, Montana.

Japan Comp Avert
A woman who was fined by Coca-Cola over her love affair with a man employed by its arch rival, Pepsi-Cola, has been compensated by her former employers in a out-of-court settlement.